

BEFORE THE TENNESSEE REGULATORY AUTHORITY AT

NASHVILLE, TENNESSEE

July 20, 2001

IN RE:

**PETITION OF ON-SITE SYSTEMS, INC.
TO AMEND ITS CERTIFICATE OF
CONVENIENCE AND NECESSITY**

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**DOCKET NO.
01-00424**

**ORDER APPROVING PETITION OF ON-SITE SYSTEMS, INC.
TO AMEND ITS CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY**

This matter came before the Tennessee Regulatory Authority (the "Authority") at a regularly scheduled Authority Conference held on June 26, 2001, to consider the Petition (the "Petition") of On-Site Systems, Inc. ("On-Site") to amend its Certificate of Public Convenience and Necessity ("CCN") to expand its service area to include an area known as the Dollywood Project in Sevier County, Tennessee.

Legal Standard for Granting CCN

On-Site's Petition was made pursuant to and was considered in light of the criteria for granting a CCN as set forth in Tenn. Code Ann. § 65-4-201, which provides, in pertinent part:

(a) No public utility shall establish or begin the construction of, or operate any line, plant, or system, or route in or into a municipality or other territory already receiving a like service from another public utility, or establish service therein, without first having obtained from the authority, after written application and hearing, a certificate that the present or future public convenience and necessity require or will require such construction, establishment, and operation, and no person or corporation not at the time a public utility shall commence the construction of any plant, line, system or route to be operated as a public utility, or the operation of which would constitute the same, or the owner or operator thereof, a public utility as defined by law, without having first obtained, in like manner, a similar certificate . . .

Background

On April 4, 1994, On-Site received a CCN in Docket No. 93-09040 from the Tennessee Public Service Commission to provide wastewater service to the Oakwood Subdivision in Maury County. Since that time, through various other dockets, On-Site has been granted approval to expand its service territory to include other areas in Tennessee.

Petition to Amend CCN

On February 26, 2001, On-Site filed its Petition to amend its CCN to expand its service area to include the Dollywood Project. A map showing the area to which On-Site proposes to extend service is attached to its Petition. In its Petition, On-Site states that the wastewater service provider located closest to the Dollywood Project area is the City of Pigeon Forge (the "City"). With its Petition, On-Site submitted a letter dated March 19, 2001 from Earlene M. Teaster, City Manager of Pigeon Forge, stating that the City of Pigeon Forge has no plans to provide wastewater services to the proposed development within the next six months. In addition, On-Site submitted a letter dated April 2, 2001 from Sevier County Executive Larry Waters stating that Sevier County does not plan to provide wastewater service to the proposed development.

On-Site filed a rate schedule in this docket which states that residential rates for the Dollywood Project will be as follows:

Total monthly charge	\$35.11
Non-payment fee	5% of monthly charge
Disconnection fee	\$10
Reconnection fee	\$15
Returned check fee	\$20
Access fee	\$84/year


This rate schedule comports with the rate schedule for On-Site approved by the Authority in Docket No. 99-00393 on January 11, 2000. The rate schedule does not list any commercial wastewater rates for this area.

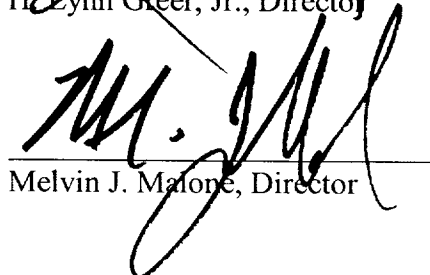
On June 26, 2001, On-Site's Petition came before the Authority at a regularly scheduled Authority Conference. Upon consideration of the Petition and the entire record, the Authority finds that the present and future public convenience and necessity require the approval of On-Site's Petition. Pursuant to Tenn. Code Ann. § 65-4-201, the Authority grants On-Site's Petition.

IT IS THEREFORE ORDERED THAT:

1. The Petition of On-Site Systems, Inc. to amend its Certificate of Public Convenience and Necessity to expand its service area to include an area known as the Dollywood Project in Sevier County, as shown in the map attached to the Petition, is approved;
2. On-Site's rates for wastewater service to the Dollywood Project shall be as listed in the rate schedule filed with On-Site's Petition and as set forth in this Order; and
3. Any party aggrieved with the Authority's decision in this matter may file a Petition for Reconsideration with the Authority within fifteen (15) days from the date of this Order.


Sara Kyle, Chairman


H. Lynn Greer, Jr., Director


Melvin J. Malone, Director

ATTEST:


K. David Waddell, Executive Secretary